Date Filed: October 02, 2026

Witness: Dzialo, Michael J, FALLON, MATTHEW P, Vancho, James J
Request from: Public Utilities Regulatory Authority

Question:
(Credit Spread) Application, Att. A, pp. 9, 14–16. Provide an updated table that reflects pricing for various maturities of secured institutional long-term debt, that includes the Treasury Yield, Credit Spread, and the Coupon Rate.

a. Quantify the change to credit spreads between June 30, 2026, and the current yield.
b. Explain if the change in credit spreads substantially changes the Company's post-issuance embedded cost of long-term debt, capitalization mix, financial ratio analysis, and credit rating matrix. If yes, then update the financial analysis on pages 14 through 16.

Response:

a. The tables below reflect indicative pricing for various maturities of CL&P secured long-term debt as of (1) June 30, 2026, as originally provided in the pre-filed Testimony of Company witnesses Fallon, Vancho and Dzialo (Attachment A to the Application filed in this docket), and (2) as of September 25, 2026.

As of June 30, 2026

Secured debt	5-year	10-year	30-year
U.S. Treasury Yield	4.17%	4.40%	4.88%
+ Credit Spread	0.55%	0.75%	0.85%
= Coupon Rate	4.72%	5.15%	5.73%

Source: Barclays

As of September 25, 2026

Secured debt	5-year	10-year	30-year
U.S. Treasury Yield	5.03%	5.18%	5.48%
+ Credit Spread	0.60%	0.80%	0.90%
= Coupon Rate	5.63%	5.98%	6.38%

Source: Key Bank

b. The change in rates will have an immaterial impact on the Company's financial ratios and credit ratings metrics. The Company's credit rating metrics will remain in ranges supportive of the Company's current credit ratings.

For illustrative purposes, please see the updated capitalization mix tables below. The "Before" scenario reflects CL&P's actual five-quarter average capital structure as of March 31, 2026. The "After" scenario reflects the issuance of $1.15 billion of 10-year long-term debt at an interest rate of 5.98%. The "After" scenario also assumes the refinancing of the Company's $500,000,000 3.20% First and Refunding Mortgage Bonds, 2017 Series A, due March 15, 2027. The resulting change in cost of capital as originally provided in the pre-filed Testimony of Company Witnesses Fallon, Vancho and Dzialo (Attachment A to the Application filed in this docket) and the below table is 8 basis points (7.20% from 7.12%).

Additionally, please refer to Q-RRU-008, Attachment 1 for an exhibit showing the impact to the Company's embedded cost of long-term debt assuming the issuance of $1.15 billion of 10-year long-term debt at an interest rate of 5.98% and the refinancing of the Company's $500,000,000 3.20% First and Refunding Mortgage Bonds, 2017 Series A, due March 15, 2027. The resulting change in the embedded cost of debt as originally provided in the pre-filed Testimony of Company Witnesses Fallon, Vancho and Dzialo (Attachment A to the Application filed in this docket) and Q-RRU-008, Attachment 1 is 16 basis points (4.81% from 4.65%).

Before Issuance of New Long-term Debt:

Class of Capital	Amount ($ 000's)	% of Total	Cost	Weighted Cost
Preferred Stock	$ 117,020	0.97%	4.75%	0.05%
Long-Term Debt	5,346,776	44.35%	4.36%	1.93%
Common Equity	6,592,176	54.68%	9.25%	5.06%
Total	$ 12,055,972	100.0%		7.04%

After Issuance of New Long-term Debt:

Class of Capital	Amount ($ 000's)	% of Total	Cost	Weighted Cost
Preferred Stock	$ 117,020	0.88%	4.75%	0.04%
Long-Term Debt	5,985,903	45.25%	4.81%	2.18%
Common Equity *	7,125,000	53.86%	9.25%	4.98%
Total	$ 13,227,923	100.00%		7.20%

* Reflects the changes to equity (net income, dividends and capital contributions) that will be made to maintain a regulatory equity ratio of approximately 53.86%.